1954, that is, an increase of 64 percent. That output is nearly twice as great as that of 1938 and is much higher than the wartime peak of 12.7 million tons. Production of bauxite and oil is to be considerably increased but no figures are given. The 2.5 billion forints to be invested in mining will be spent mainly on mechanizing operations.

In metallurgy, the planned increase in gross output is 95 percent above that of 1949. The value of output given for 1954 is 4.7 billion forints which is 2.6 times greater than the 1938 value.

The production of pig iron will be increased from 428,000 tons in 1949 to 960,000 tons in 1954, that of steel from 890,000 tons to 1,600,000 tons. This represents increases of 125 and 91 percent over 1949 and of 187 and 150 percent over 1938.[12]

To achieve the contemplated rise, 4.0 billion forints will be invested in constructing a modern blast furnace of large capacity in addition to the six existing, in the construction of another furnace for the production of ferromanganese, another electric aluminum furnace and a steel mill. Mohacs, a small town on the Danube, not very far from Yugoslavia, will be developed into a large center of heavy industry. The high grade brown coal deposits of Pecs are not very far away and there is some poor iron ore, the working of which was long ago abandoned.

Power

The production of power, 2.2 billion KW hours in 1949, already slightly greater than the wartime peak, is to reach 4.3 billion KW hours in 1954, that is, it will be nearly doubled and will require investments of 3.3 billion forints. The plan provides for the modernization of existing plants, for the construction of 20 new power plants to utilize low grade coal, and also for the construction of a hydroelectric plant (Tiszaloek) and another utilizing natural gas (Lovaszi). The construction of the former will, incidentally, bring to completion a large-scale project for river regulation and irrigation begun but not completed before the war.

12. As Czechoslovakia and Romania inherited most of the iron resources of the Carpathian Basin, the heavy industry of Hungary depended on imports of essential raw materials. Forty-three percent of the iron ore, 20 percent of the pig iron, 81 percent of the coke, 73 percent of the limestone, 52 percent of the scrap iron used had to be imported. Difficulties in the supply of raw materials and costs handicapped the development of heavy industry in the interwar period. Germany, an important source of supply before World War II, was replaced by the Soviet Union.